



Project Summary Information

Date of Document Preparation: April 27, 2020	
Project Name	COVID-19 Active Response and Expenditure Support (CARES) Program
Document Code	PD000392-PSI-PHL
AIIB member	Republic of the Philippines
Sector/Subsector	Others / Exceptions
Status of Financing	Under Preparation
Project Description	<p>The CARES program is proposed to be supported under AIIB's COVID-19 Crisis Recovery Facility (Facility) and cofinanced with the Asian Development Bank (ADB) as a policy-based loan under its Countercyclical Support Facility COVID-19 Pandemic Response Option (CPRO). The program will provide critically needed support to help the Government of the Philippines mitigate the severe health, social, and economic impact caused by the COVID-19 pandemic.</p> <p>The program is expected to have the following outputs: (i) by May 2020, an increase in testing capacity to 8,000 per day; (ii) by July 2020, the average turn-around time from sample collection to results reduced to 48 hours or less; (iii) by July 2020, all health care workers, of which 75 percent are female, and all COVID19 cases covered with Philippine Health Insurance Corporation inpatient and primary care COVID-19 related benefits; (iv) by July 2020, conditional cash transfers and emergency subsidy support provided to 4.4 million vulnerable households; (v) by July 2020, emergency subsidy support provided for 13.6 million households; (vi) by December 2020, USD600 million of economic stimulus and support provided to highly affected and vulnerable sectors including agriculture; (vii) by December 2020, wage subsidies provided for at least 1 million micro, small, and medium-sized enterprises (MSMEs) (of which 58 percent are registered to women); and (viii) by December 2020, tax relief provided for at least 1 million MSMEs (of which 58 percent are registered to women).</p>
Objective	The program will help lessen the adverse impacts of COVID-19 on the population's health and economic opportunities by providing budgetary support to the government's COVID-19 Response Program.
Expected Results	<p>(i) Reduction in the doubling rate of confirmed COVID-19 cases to 30 days or more, by December 2020 (baseline: every 3-4 days as of April 4, 2020).</p> <p>(ii) Poverty incidence held to less than 18 percent, by April 2022 (baseline: 20.7% projected as of April 4, 2020).</p>

	(iii) The submission of government reports on the implementation of Emergency Subsidy Program totaling USD4 billion with the use of gender-disaggregated data, by April 2021 (baseline: no cash transfers under Emergency Subsidy Program provided as of March 20, 2020).								
Environmental and Social Category	ADB has categorized this program as Category C for environment, involuntary resettlement and Indigenous Peoples. (This would be similar to Category C under AIIB's Environmental and Social Policy (ESP)).								
Environmental and Social Information	<p>The proposed CARES program will be co-financed with ADB as lead cofinancier, and has been prepared in accordance with the provisions of ADB's Safeguard Policy Statement (SPS) applicable to policy-based lending.¹ To ensure a harmonized approach to addressing the environmental and social (ES) risks and impacts of the program, AIIB agrees that these provisions of the SPS will apply to this operation in lieu of the Bank's ESP, as permitted pursuant to a derogation approved by AIIB's Board of Directors for Financings processed under the Facility.</p> <p>Under its SPS, ADB has categorized the program as Category C for environment, involuntary resettlement, and Indigenous Peoples on the basis of an assessment of the countercyclical expenditures to be supported by the program. These focus on expanding and strengthening social safety nets for the most vulnerable groups and are not expected to have any adverse environmental or social impacts. The proposed program has also been categorized by ADB as "effective gender mainstreaming at entry", as it strengthens the government's response to the COVID-19 outbreak by addressing gender and social inclusion needs.</p>								
Cost and Financing Plan	<p>The total cost USD2,250 million. The financing plan is shown in the table below:</p> <table border="1" data-bbox="660 914 1205 1075"> <thead> <tr> <th>Co-financiers</th> <th>Amount (USD million)</th> </tr> </thead> <tbody> <tr> <td>AIIB</td> <td>750</td> </tr> <tr> <td>ADB</td> <td>1,500</td> </tr> <tr> <td>Total</td> <td>2,250</td> </tr> </tbody> </table>	Co-financiers	Amount (USD million)	AIIB	750	ADB	1,500	Total	2,250
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AIIB	750								
ADB	1,500								
Total	2,250								
Borrower	Republic of the Philippines								
Implementing Entity	Department of Finance								
Estimated date of loan closing	May 2021								

¹See, <https://www.adb.org/documents/safeguard-policy-statement>

Contact Points:	AIIB	Asian Development Bank	Borrower/Implementing Organization
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Date of Concept Decision	April 20, 2020		
Estimated Date of Appraisal Decision	April 2020		
Estimated Date of Financing Approval	May 2020		

Independent Accountability Mechanism	<p>As noted above, ADB's SPS provisions governing policy-based lending will apply to this program instead of AIIB's ESP. Consequently, in accordance with AIIB's Policy on the Project-affected People's Mechanism (PPM), submissions to the PPM under the program would not be eligible for consideration by the PPM.</p> <p>Complaints relating to this program should be submitted to ADB's independent accountability mechanism, the Accountability Mechanism.</p> <p>For information on how to submit complaints to ADB's Accountability Mechanism, please visit: https://www.adb.org/site/accountability-mechanism/main</p>
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